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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-081]

Glycine from the People's Republic of China: Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of glycine from the People's Republic of China (China) for the period of investigation (POI) January 1, 2017, through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Yasmin Bordas or Tyler Weinhold, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3813 or (202) 482-0121, respectively.

SUPPLEMENTARY INFORMATION:

Background

This final determination is made in accordance with section 705 of the Tariff Act of 1930, as amended (the Act). The petitioners in this investigation are GEO Specialty Chemicals, Inc. and Chattem Chemicals, Inc. (the petitioners).¹ The mandatory respondents in this investigation are JC Chemicals Limited and Simagchem Corp. Neither the mandatory respondents nor the Government of China responded to our requests for information in this investigation. On

¹ See Petitioners' letter, "Glycine from the People's Republic of China, India, Japan and Thailand: Petitions for the Imposition of Antidumping and Countervailing Duties," dated March 28, 2018 (Petition).

September 4, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* and invited interested parties to comment.² We received no comments regarding the *Preliminary Determination* but did receive scope comments from certain interested parties. Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.³ Accordingly, the revised deadline for the final determination is now April 24, 2019.

Period of Investigation

The period of investigation is January 1, 2017, through December 31, 2017.

Scope Comments

We invited parties to comment on Commerce's Preliminary Scope Decision Memorandum.⁴ In October 2018, we received timely scope comments from Ajinomoto Health and Nutrition North America, and the petitioners, GEO Specialty Chemicals, Inc., and Chattem Chemicals, Inc., filed rebuttal scope comments.⁵ We issued a final scope decision memorandum,

² See *Glycine From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 83 FR 44863 (September 4, 2018) (*Preliminary Determination*), and the accompanying Preliminary Decision Memorandum.

³ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this investigation affected by the partial federal government closure have been extended by 40 days. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day.

⁴ See Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Decision Memorandum for the Preliminary Determinations," dated August 27, 2018.

⁵ See Letter from AHN, "Glycine from the People's Republic of China, India, Japan, and Thailand: Comments on the Scope of the Investigation", dated October 4, 2018; Letter from the petitioners, "Glycine from India, Japan, the People's Republic of China and Thailand: Petitioners' Rebuttal to Ajinomoto Health and Nutrition North America, Inc.'s Comments on the Scope of Less-Than-Fair-Value and Countervailing Duty Investigations", dated October 8, 2018.

concurrent with this final determination, in response to these comments.⁶ We made no changes to the scope of the investigation since the *Preliminary Determination*.

Commerce has reviewed the comments submitted by interested parties, considered the arguments therein, and has made no changes to the scope of the investigation. For further discussion, see Commerce's Scope Comments Final Decision Memorandum.⁷

Scope of the Investigation

The merchandise covered by this investigation is glycine from China. For a complete description of the scope of this investigation, see Appendix.

Analysis of Subsidy Programs and Comments Received – Adverse Facts Available (AFA)

For purposes of this final determination, we relied solely on facts available because neither the Government of China nor any of the selected mandatory respondents participated in this investigation. Further, because the mandatory respondents and the Government of China did not cooperate to the best of their abilities in responding to our requests for information in this investigation, we drew adverse inferences in selecting from among the facts otherwise available, in accordance with sections 776(a)-(b) of the Act. Therefore, consistent with the *Preliminary Determination*, we continue to apply adverse facts available to JC Chemicals Limited and Simagchem Corp. No interested party submitted comments on the *Preliminary Determination*. Thus we made no changes to the subsidy rates for the mandatory respondents for the final

⁶ See Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Decision Memorandum for the Final Determinations," dated April 24, 2019.

⁷ See Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Final Decision Memorandum," dated concurrently with this memorandum.

determination. A detailed discussion of our application of AFA was provided in the *Preliminary Determination* and the accompanying Preliminary Decision Memorandum.⁸

All-Others Rate

As discussed in the *Preliminary Determination*, Commerce based the selection of the all-others rate on the countervailable subsidy rate established for the mandatory respondents, in accordance with section 705(c)(5)(A)(ii) of the Act.⁹ We made no changes to the selection of the all-others rate for this final determination.

Final Determination

Company	Subsidy Rate
JC Chemicals Limited	144.01 percent
Sigmachem Corp	144.01 percent
All Others	144.01 percent

Commerce determines that the following estimated countervailable subsidy rates exist:

Disclosure

The subsidy rate calculations in the *Preliminary Determination* were based on AFA.¹⁰ As noted above, there are no changes to the calculations. Thus, no additional disclosure is necessary for this final determination.

Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(1)(B) and (2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation

⁸ See *Preliminary Determination*, and the accompanying Preliminary Decision Memorandum at “Use of Facts Otherwise Available and Adverse Inferences.”

⁹ See *Preliminary Determination*, 83 FR at 44863, and the accompanying Preliminary Decision Memorandum at “Calculation of the All-Others Rate.”

¹⁰ See Preliminary Decision Memorandum at Appendix – “AFA Rate Calculation.”

of all entries of glycine from China that were entered, or withdrawn from warehouse, for consumption, on or after September 4, 2018, the date of publication of the *Preliminary Determination* in the *Federal Register*.¹¹ Additionally, in accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, for consumption on or after January 2, 2019.

If the U.S. International Trade Commission (the ITC) issues a final affirmative injury determination, we will issue a countervailing duty (CVD) order, will reinstate the suspension of liquidation under section 706(a) of the Act, and will require a cash deposit of estimated CVDs for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Notification Regarding Administrative Protective Orders

¹¹ See *Preliminary Determination*, 83 FR at 44863-64.

This notice also serves as a reminder to parties subject to APOs of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: April 24, 2019.
Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Investigation

The merchandise covered by this investigation is glycine at any purity level or grade. This includes glycine of all purity levels, which covers all forms of crude or technical glycine including, but not limited to, sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine. Glycine has the Chemical Abstracts Service (CAS) registry number of 56-40-6. Glycine and glycine slurry are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2922.49.43.00. Sodium glycinate is classified in the HTSUS under 2922.49.80.00. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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